

806 KAR 52:010. Forms for application, security deposits and financial statements.

RELATES TO: KRS 304.50

STATUTORY AUTHORITY: KRS 304.50-010(2), 304.50-030(1), 304.50-050(1), (2), 304.50-060(4)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.50-010(2) requires the executive director to promulgate administrative regulations as necessary to govern admission, certification and regulation of workers' compensation self-insured groups. 304.50-030(1) requires a workers' compensation self-insured group seeking initial certification to file an application on a form approved by the executive director. KRS 304.50-050(1) requires a workers' compensation self-insured group to provide a security deposit to the executive director on a form prescribed by the executive director. KRS 304.50-050(2) allows trustees to file cash, cash equivalents, United States Treasuries or a bank letter of credit in satisfaction of the security deposit requirement, on a form prescribed by the executive director. KRS 304.50-060(4) requires workers' compensation self-insured groups to file statements of financial condition on a form prescribed by the executive director. This administrative regulation prescribes the required forms for application, security deposits and financial statements.

Section 1. Definitions. (1) "Executive director" means the Executive Director of the Office of Insurance.

(2) "Office" means the Office of Insurance.

(3) "Self-Insured group" is defined in KRS 304.50-015(29).

Section 2. (1) Pursuant to KRS 304.50-030(1), Form 100, Initial Application for Certificate of Filing As a Workers' Compensation Self-Insured Group, shall be completed and submitted to the executive director to apply for initial certification as a workers' compensation self-insured group.

(2) Pursuant to KRS 304.50-050(5), Form 141, Election Form for Designation of Custodian Bank for Safekeeping of Securities, shall be completed and submitted to the executive director to propose designation of a bank or trust company for the safekeeping of securities.

(3) Pursuant to KRS 304.50-050(2), Form 142, Letter of Credit, shall be completed and submitted to the executive director when issuing a letter of credit in satisfaction of the security deposit requirement for a workers' compensation self-insured group.

(4) Pursuant to KRS 304.50(2), Form 145, Transaction Sheet for Securities Held Under Safekeeping with Designated Custodian Banks, shall be completed and submitted to the executive director when transferring funds in or out of the Safekeeping Account and shall be approved by the executive director before the bank can complete the transfer.

(5) Pursuant to KRS 304.50(2), Form 826, Safekeeping Agreement for Workers' Compensation Self-Insured Groups, shall be completed and submitted to the executive director when the self-insured group initially sets up the security account or when a group transfers the security deposit to another bank.

(6) Pursuant to KRS 304.50-060(4), the Workers' Compensation Self-Insured Group Quarterly Statement (Blank), shall be completed and submitted to the executive director to file a quarterly statement of financial condition. Form 102, Trustee Confirmation of Receipt, shall be completed by each trustee of the workers' compensation self-insured group, acknowledging receipt of a copy of the quarterly statement of financial condition, and submitted to the Office of Insurance within seventy-five (75) calendar days after the close of each quarterly reporting period.

(7) Pursuant to KRS 304.50-060(4), the Workers' Compensation Self-Insured Group Annual

Statement (Blank), shall be completed and submitted to the executive director to file an annual statement of financial condition.

(8) Pursuant to KRS 304.50-050(1), Form 147, Deposit Calculation for Workers' Compensation Self-Insured Groups, shall be completed and submitted annually to the executive director to calculate the correct amount to be placed in the Safekeeping Account.

Section 3. Incorporation by Reference. (1) The following material is incorporated by reference:

(a) "Form 100 - Initial Application for Certificate of Filing As a Workers' Compensation Self-Insured Group (2005)";

(b) "Form 141 - Election Form for Designation of Custodian Bank for Safekeeping of Securities (2005)";

(c) "Form 142 - Letter of Credit (2005)";

(d) "Form 145 - Transaction Sheet for Securities Held Under Safekeeping with Designated Custodian Banks (2005)";

(e) "Form 826 - Safekeeping Agreement for Workers' Compensation Self-Insured Groups (2005)";

(f) "Workers' Compensation Self-Insured Group Quarterly Statement (Blank) (July 15, 2005)";

(g) "Form 102 - Trustee Confirmation of Receipt (4/2005)";

(h) "Workers' Compensation Self-Insured Group Annual Statement (Blank) (July 15, 2005)";
and

(i) "Form 147 - Deposit Calculation for Workers' Compensation Self-Insured Groups (2005)".

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